



30 August 2016

Company Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Notice of Extraordinary General Meeting

Please find attached a Notice of Extraordinary General Meeting being dispatched by ThinkSmart Limited ("the Company") today to its shareholders, together with an Appendix 3C regarding a buy-back tender for which approval will be sought at the Extraordinary General Meeting.

The abovementioned documents will also be available on the Company's website www.thinksmartworld.com

Yours faithfully

A handwritten signature in black ink that reads "Neil Hackett".

Neil Hackett
Company Secretary
ThinkSmart Limited

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NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (the 'Meeting') of ThinkSmart Limited ('ThinkSmart' or the 'Company') will be held at Level 36, QV.1 Building, 250 St Georges Terrace, Perth, Western Australia on 29 September 2016 at 3:00pm (AWST).

An Explanatory Statement containing information to help shareholders understand the business to be put to shareholders at the Meeting accompanies and forms part of this Notice of Meeting.

AGENDA ITEMS

Resolution 1 – Approval of Placement to Alphagen

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of 20,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) to Alphagen Capital Limited (as discretionary fund manager for the Alphagen Volantis Catalyst Fund II Limited) on the terms detailed in the Explanatory Statement which accompanies and forms part of this Notice of Meeting be approved.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by Alphagen Capital Limited and Alphagen Volantis Catalyst Fund II Limited and any of their associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – Approval of Buy-Back Tender

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, subject to and conditional on the passing of Resolutions 1, 3 and 4, in accordance with section 257C of the *Corporations Act 2001* (Cth) (**Corporations Act**), the shareholders authorise and approve:

- the Company to undertake buy-backs of up to 10,000,000 Shares under off-market tender buy-back agreements on the terms detailed in the Explanatory Statement which accompanies and forms part of this Notice of Meeting; and
- each agreement entered on those terms during the 12 months commencing on the date of this resolution to the extent that:
 - approval of such buy-back agreements is required under section 257C of the Corporations Act; and
 - the number of Shares bought back under such buy-back agreements does not exceed 10,000,000.”

Resolution 3 – Approval of Delisting from ASX

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, subject to and conditional on the passing of Resolutions 1, 2 and 4, and subject to and conditional on the Company being admitted to the AIM market of London Stock Exchange plc (**AIM**), for the purposes of ASX Listing Rule 17.11 and for all other purposes, the removal of the Company from the official list of the ASX with effect from its admission to AIM be approved and the directors of the Company be authorised to do all things reasonably necessary to give effect to the delisting of the Company from the ASX and the admission to AIM.”

Resolution 4 – Approval of Amendments to Constitution

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That, subject to and conditional on the passing of Resolutions 1, 2 and 3 and subject to and conditional on the Company being admitted to AIM, the Constitution of the Company be amended as described in the Explanatory Statement which accompanies and forms part of this Notice of Meeting and as set out in the marked-up copy of the Constitution tabled at the Meeting and signed by the Chairman of the Meeting for the purposes of identification.”

Resolution 5 – Change to Testing Date of Options

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, subject to and conditional on the passing of Resolutions 1, 2, 3 and 4, for the purposes of ASX Listing Rule 6.23.3 and for all other purposes, approval be given for the Company to amend the vesting conditions attached to the 500,000 employee options issued in 2013 under the Company’s Executive Share Option Plan such that the date for testing the vesting conditions is extended from 4 July 2016 to 4 March 2017.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5 by or on behalf of a holder of the options or any of their associates, regardless of the capacity in which the vote is cast, or as a proxy by a member of the key management personnel of the Company or their closely related parties.

However, the Company need not disregard a vote cast on Resolution 5 if it is cast by a person who is entitled to vote on the resolution and:

- the vote is cast in accordance with a direction on the proxy’s appointment; or
- the vote is cast as a proxy by the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy.

Shareholders should note that a waiver of ASX Listing Rule 6.23.3 is required in order for the approval sought under Resolution 5 to be effective. The Company has applied to ASX for a waiver and will advise shareholders when ASX finalises its decision. If, before the Meeting, ASX advises the Company that it will not grant the waiver, then Resolution 5 will be withdrawn.

Resolution 6 – Change to Testing Date of Loan Funded Shares

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, subject to and conditional on the passing of Resolutions 1, 2, 3 and 4, for the purposes of ASX Listing Rule 14.7 and for all other purposes, approval be given for the Company to amend the vesting conditions attached to the 1,000,000 shares issued to Mr Ned Montarello in 2013 under the Company’s Loan Funded Share Plan such that the date for testing the vesting conditions is extended from 4 July 2016 to 4 March 2017.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 6 by or on behalf of Mr Montarello or any of his associates, regardless of the capacity in which the vote is cast, or as a proxy by a member of the key management personnel of the Company or their closely related parties.

However, the Company need not disregard a vote cast on Resolution 6 if it is cast by a person who is entitled to vote on the resolution and:

- the vote is cast in accordance with a direction on the proxy’s appointment; or
- the vote is cast as a proxy by the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy.

ENTITLEMENT TO VOTE

It has been determined that under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the Meeting, shares will be taken to be held by the persons who are the registered holders at 7:00pm (Sydney time) on 27 September 2016. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

EXPLANATORY STATEMENT

The directors recommend shareholders read the Explanatory Statement in full before making any decision in relation to the Resolutions to be put to the Meeting.

PROXIES

A shareholder entitled to attend and vote at the Meeting has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
- provides satisfactory evidence of the appointment of its corporate representative at the Meeting.

If such evidence is not received at the Meeting, then the body corporate (through its representative) will not be permitted to act as a proxy.

If a shareholder appoints a member of the Company's key management personnel (which includes each of the Directors) as proxy, that person will not be able to cast the shareholder's votes on Resolutions 5 or 6 unless the shareholder directs the person how to vote or the Chairman of the Meeting is the shareholder's proxy.

If a shareholder appoints the Chairman of the Meeting as their proxy or the Chairman of the Meeting is appointed as the shareholder's proxy by default, and the shareholder does not give directions as to how to vote on Resolutions 5 or 6, then by completing and submitting a proxy form the shareholder will be expressly authorising the Chairman of the Meeting to exercise the proxy in respect of the relevant Resolution even though the Resolution is connected with the remuneration of the key management personnel of the Company.

The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution.

A shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

A proxy form accompanies this Notice of Meeting. Proxies should be returned as follows:

Online:

At www.investorvote.com.au

By Mobile:

Scan the QR Code on your Proxy form and follow the prompts

By Mail to:

Computershare Investor Services
Pty Ltd
GPO Box 242
Melbourne, Victoria 3001
Australia

By Facsimile Transmission to:

1800 783 447 (within Australia) or
+61 3 9473 2555 (outside Australia)

By Hand to:

Computershare Investor Services
Pty Ltd
Level 11
172 St Georges Terrace
Perth, Western Australia 6000

Custodian Voting:

For Intermediary Online subscribers
only(custodians) please visit
www.intermediaryonline.com to submit
your voting intentions

and to be effective must be received by no later than **3:00pm (AWST) on 27 September 2016.**

By order of the Board



Neil Hackett

Company Secretary

Date: 30 August 2016

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to help shareholders understand the business to be put to shareholders at the forthcoming Extraordinary General Meeting of the Company.

Overview of the Transaction

The Resolutions to be put to shareholders at the Meeting relate to a transaction that represents the culmination of the Company's strategic review process, which started in August 2015. The transaction involves:

- a placement of 20,000,000 Shares at 25 pence per share to the Alphagen Volantis Catalyst Fund II Limited, a fund managed by Alphagen Capital Limited (part of Henderson Global Investors) – this is the subject of Resolution 1;
- the Company buying back up to 10,000,000 shares from existing shareholders by way of an off-market tender buy-back at a price range of A\$0.38 to A\$0.55 per share – this is the subject of Resolution 2;
- the Company seeking to delist from the ASX and be admitted to AIM – the delisting is the subject of Resolution 3; and
- making certain administrative amendments to the constitution of the Company to ensure it is compatible with the requirements of AIM – this is the subject of Resolution 4,

(together, the **Transaction**).

The Board believes that the transfer of ThinkSmart's listing to the UK will achieve the benefits of:

- more closely aligning ThinkSmart's trading market and shareholder base with its operations in the UK;
- raising the profile of ThinkSmart from a commercial and capital markets perspective; and
- providing access to UK equity capital markets for funding ThinkSmart's future development,

while maintaining the group's current structure.

Resolutions 2, 3, and 4 are conditional on Resolution 1 being passed – that is, the buy-back, the delisting and the constitutional amendments are conditional on the placement being approved – and are themselves interconditional. If shareholder approval is not granted for the entire Transaction, then Resolutions 2, 3 and 4 will not be implemented and the Company will not be listed on AIM. However, if shareholder approval is granted for Resolution 1 then the Company may complete the placement regardless of whether the other Resolutions are passed.

In addition, the Board (other than Ned Montarello) proposes that the vesting date of certain Shares and options under the Company's Loan Funded Share Plan and Executive Share Option Plan be amended to take account of the timing of the Transaction. This proposal is explained in detail below and is the subject of Resolutions 5 and 6. Resolutions 5 and 6 are conditional on the Transaction being approved, and will not be implemented if shareholder approval is not granted for the entire Transaction.

The individual Resolutions are explained in greater detail below.

Resolution 1 – Approval of Placement

Background

On 25 July 2016 the Company announced that it had entered into a binding agreement (**Placement Agreement**) with the Alphagen Volantis Catalyst Fund II Limited, managed by Alphagen Capital Limited (part of Henderson Global Investors plc) (**Alphagen**), to undertake a placement of 20,000,000 Shares (**Placement Shares**) at a price of 25 pence per Share (the **Placement**).

The Placement price of 25 pence per Share:

- represented a 15% premium to closing price of the Company's Shares on ASX of \$0.38 on 22 July 2016, the date immediately prior to announcement of the placement to Alphagen (based on the then prevailing exchange rate of AUD 1.75: 1 GBP); and
- equates to approximately \$0.43 per Share applying the exchange rate of AUD 1.72: 1 GBP as at 23 August 2016.

The Placement will raise 5 million GBP (approximately \$8,600,000 applying the exchange rate as at 23 August 2016).

The Placement Agreement is subject to a number of conditions precedent, including shareholder approval of the Placement.

The Placement Shares equate to approximately 20.9% of the Company's current issued shares. Following the Placement and assuming that the Company does not issue or cancel any other Shares, the Placement Shares will equate to approximately 17.3% of the Company's issued Shares. If shareholder approval is granted for Resolution 2 and the Transaction, then assuming that the Company buys back the maximum number of Shares possible under the Buy-Back

Tender (i.e. 10,000,000 Shares) and the Company does not issue or cancel any other Shares, the Placement Shares will equate to approximately 19.0% of the Company's issued shares.

Listing Rule 7.1

ASX Listing Rule 7.1 provides that the Company may not without shareholder approval issue or agree to issue equity securities during a 12 month period exceeding 15% of the fully paid ordinary shares on issue at the start of that 12 month period, subject to specified exceptions which are not relevant to the Placement. As the Placement Shares exceed the 15% limit in ASX Listing Rule 7.1, shareholder approval is required for the Placement.

Notice requirements under Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information regarding the Placement is provided:

- the maximum number of Placement Shares to be issued by the Company is 20,000,000;
- the Company will issue the Placement Shares as soon as practicable and in any case within 3 months after Meeting. The Placement Shares will all be issued on the same date;
- the issue price will be 25 pence per Placement Share (or A\$0.43 per Placement Share);¹
- the Placement Shares will be issued to Alphagen;
- the Placement Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions of the Company's existing ordinary shares; and
- the Company intends to use the funds raised by the Placement as working capital to support its application for admission to AIM, and to further grow and develop the Company's operations in the United Kingdom.

Board recommendation

The Board recommends that shareholders vote in favour of Resolution 1.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1.

Resolution 2 – Approval of Buy-Back Tender

Background

As part of the Transaction, the Board proposes to provide a mechanism for existing shareholders to exit their holding prior to delisting from ASX via an off-market buy-back tender (**Buy-Back Tender**) of up to a total of 10,000,000 Shares, subject to receiving shareholder approval as set out in the Notice of Meeting and this Explanatory Statement. This is the maximum number of Shares that may be repurchased rather than the actual number that will definitely be bought back.

Details of the Buy-Back Tender are set out below.

Reason for Resolution 2

The purpose of Resolution 2 is to seek shareholder approval of the Buy-Back Tender. Under the Corporations Act, the Company must obtain approval of its shareholders in order to buy back more than 10% of the smallest number of Shares that the Company had on issue during the 12 months preceding the Buy-Back Tender (**10/12 limit**). If the maximum number of Shares is bought back under the Buy-Back Tender, this would represent approximately 10.5% of the Company's issued capital as at the date of this Notice of Meeting. The Buy-Back Tender may therefore exceed the 10/12 limit, and so shareholders must approve the Buy-Back Tender before it can be implemented.

Resolution 2 will be approved if more than 50% of the votes cast at the Meeting on Resolution 2 are in favour of it.

In addition, under section 257C of the Corporations Act, this Notice of Meeting must disclose all information that is material to shareholders' decision on how to vote on Resolution 2. Accordingly, this Explanatory Statement sets out:

- the details of the Buy-Back Tender;
- the reasons for the Buy-Back Tender (including advantages and disadvantages of the Buy-Back Tender);
- information on the Company;
- the effect of the Buy-Back Tender on the Company; and
- other information material to a decision on how to vote on Resolution 2.

Details of the Buy-Back Tender

Terms of the Buy-Back Tender

Under the Buy-Back Tender, the Company will invite all holders of Shares recorded on its register on the record date (regardless of the jurisdiction in which they are located) to participate in the Buy-Back Tender (expected to be 6 September 2016) (**Record Date**) to offer to some or all of their Shares to the Company at specified prices between \$0.38 and \$0.55.

¹ Based on an exchange rate of AUD 1.72:1 GBP as at 23 August 2016.

The Buy-Back Tender is expected to open on 4 October 2016 and close on 4 November 2016 (**Buy-Back Period**). The proposed timetable for the Buy-Back Tender is set out under the heading "Proposed timing for the Buy-Back Tender" below. While the Company does not currently anticipate changing any of the dates and times set out in that section, it reserves the right to do so by announcement to ASX.

Participation in the Buy-Back Tender is voluntary. Shareholders do not have to sell their Shares if they do not want to. Shareholders will also have the right to withdraw tenders during the Buy-Back Period subject to complying with specified notification procedures.

If shareholders do not approve Resolution 2, the Company will not be able to proceed with the proposed Buy-Back Tender. In addition, Resolution 2 is expressed to be conditional on and subject to Resolutions 1, 3 and 4 so the Company will not be able to proceed with the proposed Buy-Back Tender unless shareholders also approve those Resolutions.

The Buy-Back Tender documentation (the **Buy-Back Booklet**), which is expected to be sent to shareholders on or about 3 October 2016, will contain further detailed information on the Buy-Back Tender. A summary of this information is provided below.

Target size

The Company is seeking to buy back up to 10,000,000 Shares under the Buy-Back Tender, at prices tendered by shareholders between \$0.38 and \$0.55. This represents approximately \$3.8 million worth of Shares assuming that the Shares are bought back at \$0.38 and approximately \$5.5 million worth of Shares assuming the Shares are bought back at \$0.55. The Company may, at its discretion, reduce the size of the Buy-Back Tender. The Company also retains the discretion to buy back a lesser amount of Shares than indicated, or no Shares at all. The key considerations for the Company in determining the number of Shares bought back under the Buy-Back Tender will be the volume and price levels of tenders received and an assessment of the benefit to the Company and shareholders of buying back Shares at the tendered prices.

Buy-Back Tender price range

Shareholders will be invited to tender some or all of their Shares at specified prices between \$0.38 and \$0.55 per Share (**Tender Range**). The Tender Range was based on the placement price agreed to by Alphagen (see further above) and represents:

- an approximate 15% discount up to a 25% premium to the Placement price (based on the prevailing exchange rate of AUD 1.75: 1 GBP on the date immediately prior to announcement of the Placement) and
- an approximate 5% discount up to a 35% premium to the 5 day VWAP of the Company's Shares to 23 August 2016, being the last practicable date prior to publication of this Notice of Meeting.

In addition, shareholders wishing to increase the likelihood that their tender will be successful may submit a final price tender, which is discussed further below.

Following the close of the Buy-Back Period, the Company will determine the lowest price in the Tender Range at which the Company will be able to buy back the number of Shares it determines to buy back (**Buy-Back Price**). The Company will not buy back any Shares at a discount greater than 14% to the VWAP of Shares over the 5 trading days up to and including the closing date for the Buy-Back Period.

All shareholders submitting successful tenders will be paid the same price for Shares bought back (even if they tendered Shares below the Buy-Back Price).

Overview of the tender process

Each shareholder may submit a tender in a specified form (**Tender Form**) if they wish to sell some or all of their Shares. The Tender Form will be required to specify:

- the number of Shares tendered, which may be up to 100% of the shareholder's holding as at the Record Date; and
- the nominated price or prices within the Tender Range at which each parcel of Shares is offered to be sold.

Shareholders will be able to submit offers to sell different blocks of their shareholding for different prices within the Tender Range. For example, a shareholder may offer to sell half of their shareholding for \$0.38 per Share and the other half for \$0.55 per Share.

Alternatively, shareholders wishing to increase the likelihood that they will participate in the Buy-Back Tender may submit a "**Final Price Tender**". A Final Price Tender is a tender in which the shareholder elects to receive the Buy-Back Price, whatever it is determined to be by the Company under the tender process.

Shareholders will have Shares that are tendered at or below the Buy-Back Price or as a Final Price Tender bought back subject to the scale-back mechanism set out below. Shares that are tendered above the Buy-Back Price will not be bought back.

If more Shares are tendered at or below the Buy-Back Price (including Final Price Tenders) than the Company wishes to buy back, then a scale-back will be applied as follows:

If the Buy-Back Price is above the lowest price in the Tender Range:

- tenders below the Buy-Back Price and Final Price Tenders will be accepted in full;

- tenders at the Buy-Back Price (excluding Final Price Tenders) will be treated as follows:
 - the Priority Allocation (as defined below) will be bought back from each shareholder (or the number of Shares tendered at the Buy-Back Price if this is less than the Priority Allocation);
 - Small Residual Holdings (as defined below) will be bought back; and
 - the remaining tenders will be scaled back on a pro-rata basis.

If the Buy-Back Price is at the lowest price in the Tender Range, all tenders at the Buy-Back Price (including Final Price Tenders) will be treated as follows:

- the Priority Allocation will be bought back from each shareholder (or the number of Shares tendered at the Buy-Back Price and/or as a Final Price Tender if this is less than the Priority Allocation);
- Small Residual Holdings will be bought back; and
- the remaining tenders will be scaled back on a pro-rata basis.

The “**Priority Allocation**” will be \$2,000 worth of Shares (the number of Shares to be based on the market price of Shares four weeks prior to the announcement of the Buy-Back Tender, in accordance with the relevant ASIC guidance), or such lesser number of Shares as is required to ensure that the Company is able to buy back only the number of Shares it determines to buy back under the Buy-Back Tender.

A “**Small Residual Holding**” will occur if a shareholder submits tenders in respect of 100% of their Shares at or below the Buy-Back Price, and would otherwise be left with a shareholding of \$500 worth of Shares (the number of Shares to be based on the market price of Shares four weeks prior to the announcement of the Buy-Back Tender), or fewer, as result of the scale-back.

The Company will announce to ASX the result of the Buy-Back Tender, including the total number of Shares to be bought back, the Buy-Back Price and any scale-back after the close of the Tender Period.

Reasons for the Buy-Back Tender

The Board considers that the Buy-Back Tender is in the best interests of shareholders. If shareholders approve the Transaction, then the Company will seek admission to AIM. Some shareholders may wish to exit their shareholding prior to the anticipated delisting of the Company from the ASX and the listing of the Company on AIM becoming effective (as to which, see further below in relation to Resolution 3), as the Company would then be listed on a foreign stock exchange and shareholders would no longer be able to trade their shares on ASX. The Board considers that any shareholders who wish to exit their shareholding in these circumstances should have an opportunity to do so.

The Company’s Shares are relatively illiquid and some shareholders who wish to exit their shareholding may be unwilling to sell their Shares at the current market price. The Buy-Back Tender offers shareholders the option to set the value of their Shares within a range that is based around the pricing agreed with Alphagen, a sophisticated, third party investor dealing at arm’s length with the Company (see further above).

In addition, the Company believes that it will have surplus capital following completion of the Placement. The Board considers that the Buy-Back Tender is an efficient way to return this surplus capital to shareholders and ensure that the Company is not overcapitalised for its business needs when it lists on AIM. Returning excess capital to shareholders will allow the Company to maintain an effective capital structure moving into its next phase as a company admitted to AIM.

Advantages

The Board considers the main advantages of the Buy-Back Tender to be as follows:

- all shareholders have an equal opportunity to participate;
- a tender process:
 - allows shareholders to tailor their participation to suit their own circumstances. Shareholders can choose whether to participate, how many of their Shares to tender, and the price or prices within a range at which to tender their Shares;
 - reduces the risk of setting a buy-back price which is too low and a buy-back being unsuccessful through a low take-up;
 - is expected to allow the Company to buy back a significant number of Shares within a shorter period (compared to an on-market buy back);
 - is expected to provide a mechanism for shareholders to sell a relatively large volume of Shares without negatively impacting the market price;
- shareholders should not have to pay brokerage or appoint a stockbroker to sell their Shares in the Buy-Back Tender;
- shareholders may wish to exit their shareholding as the Company will be listed on a foreign stock exchange if the Transaction is approved and shareholders will no longer be able to trade their shares on ASX; and
- as the Shares are not as widely traded as some other shares, the Buy-Back Tender allows shareholders to elect to exit their investment in the Company and set the value of their Shares within a range based around the price agreed for the Placement.

Disadvantages

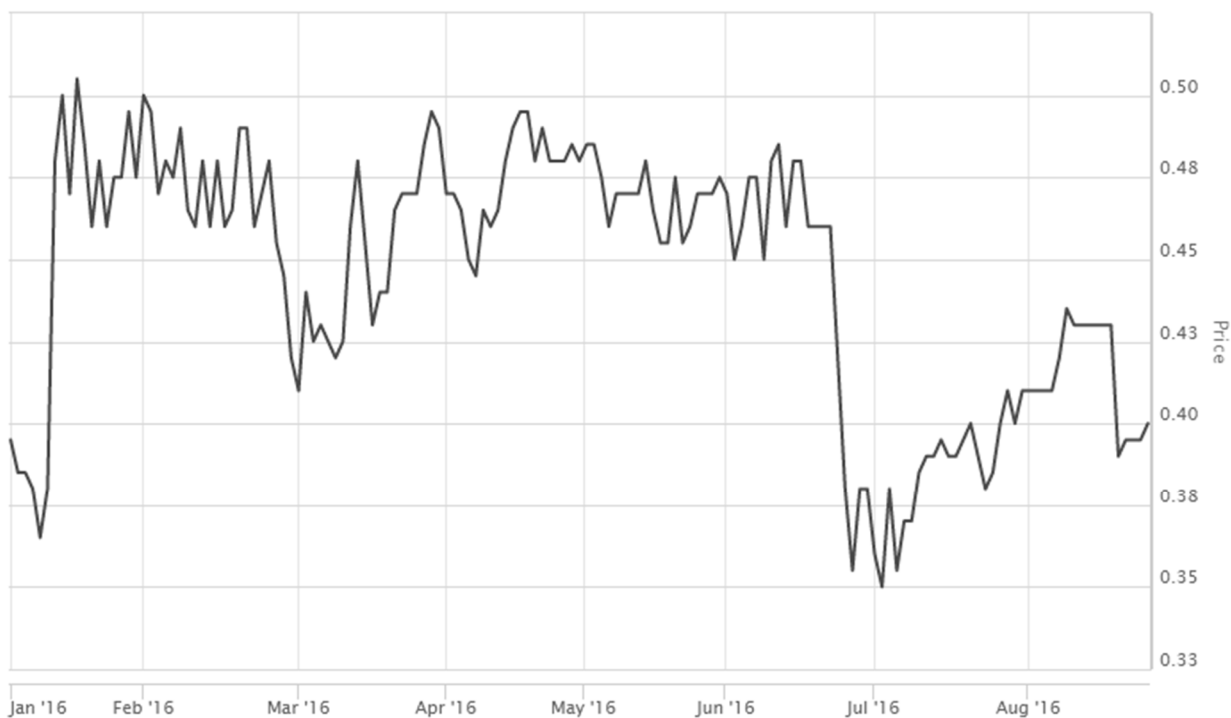
The Board does not consider that the Buy-Back Tender poses any significant disadvantage to shareholders. However, in making their decision as to whether to vote in favour of Resolution 2, shareholders should evaluate the following factors:

- there will be a reduction in available cash levels and thus the Company's ability to use that cash, including for acquisitions;
- the Buy-Back Tender entails a reduction in the capital base of the Company;
- the Buy-Back Tender is likely to result in a reduction in the liquidity of Shares;
- by implementing the Buy-Back Tender, the Company will incur some expenses relating to printing, mailing and registry costs. These expenses are not considered material;
- successful participating shareholders may have their tenders scaled back;
- shareholders who successfully participate in the Buy-Back Tender will not benefit from any future increase in the market price of the Shares or be entitled to receive future distributions on those Shares which are bought back; and
- at the time of shareholders participating in the Buy-Back Tender, the Company will not have certainty that its proposed admission to AIM (and therefore delisting from ASX) will be successful. While the Company believes it will be successful in its application for admission to AIM, its admission remains subject to further engagement with AIM. The Company will update shareholders on the admission process in the Buy-Back Booklet.

Information on the Company

Share Price Information

A graph showing the share price performance of the Company for the year to 23 August 2016 is set out below.



Source: ASX.

Outlook for the Company

The Company's full year FY16 financial results were released on ASX on 17 August 2016. The highlights included:

- Group Operating NPAT² for the year of \$4.4m, up 27% on FY15 and 69% growth in Operating EPS² to 4.62 cents;
- Statutory NPAT for the year of \$0.6m and EPS of 0.65 cents after \$3.8m of non-operating strategic review and advisory expenses;
- UK delivered \$3.9m Segment NPAT benefitting from reduced funding costs and improvements in prior year vintages; and
- Strong operating cash generation of \$5.4m in FY16.³

The Company is solely focused on the UK market, being nearly 3 times the size of the Australian market with 65 million consumers. Assuming the resolutions for the Transaction are approved, in October/November 2016, ThinkSmart will apply to be admitted to AIM and, conditional upon its admission to AIM becoming effective, will be delisted from ASX.

² Group Operating NPAT excludes any items arising from the ongoing non-operating activities relating to the strategic review initiated by the Board to unlock value in the UK business for shareholders. Operating EPS excludes these non-operating costs and associated tax credits as applicable.

³ Excludes \$4.0m increase in lease receivable and related \$3.2m increase in Santander loan facility, and \$2.5m of strategic review and advisory expenses paid in year.

The contract with the Company's existing partner, Dixons, has now been extended to 2019 for both Business and Consumer leasing. In addition, following the merger of Dixons with Carphone Warehouse to create a joint company with potential revenues of £10bn and a 1,298 store network, the Company has agreed a 5 year exclusive contract to provide Carphone Warehouse with multi-channel lease finance for mobile phones which is expected to be launched in the UK, subject to a number of conditions precedent, in the fourth quarter of 2016. The Company also has arrangements with a range of retailers offering point-of-sale lease financing for a variety of items including bicycles and photographic and catering equipment. The Company will continue to refresh products aligned to its partners' commercial objectives to assist them in creating a differentiated proposition in their markets.

ThinkSmart continues to invest to enhance its sector leading software and processing IP. Recent examples include the new multi-leasing customer account proposition, launched with Dixons in July 2016 and ThinkSmart's online basket integration and mobile application.

There are further opportunities to introduce the Company's existing multi-channel point of sale account finance solutions to other retailers with customers who want all the benefits of the latest technology or product features with the flexibility to upgrade products as their need develops.

The strategic focus for the business for 2016 – 17 is:

- significant growth in active customer base (including via the Carphone Warehouse contract);
- maximise margins through efficient on balance sheet funding and continued systemic bad debt management;
- improvements in operational leverage benefiting from scale reduction in per unit operating costs; and
- new mobile leasing product targeted to achieve immediate and significant volume growth, with profit spread across the term of each contract through lease accounting, and increasing over time through the high level of anticipated repeats.

Effect of the Buy-Back Tender on the Company

Funding of the Buy-Back Tender

As at the date of this Notice of Meeting, the Company has approximately \$7 million cash. If shareholders approve the Transaction, following the placement of 20,000,000 Shares the Company will have approximately \$15 million cash (assuming there are no other material changes to its cash reserves) before conducting the Buy-Back Tender.

As described above, the Company is seeking to buy back up to 10,000,000 Shares under the Buy-Back Tender, at prices tendered by shareholders between \$0.38 and \$0.55.

So, for example, if the Company bought back the full capacity under the Buy-Back Tender of 10,000,000 Shares, and the Buy-Back Price was \$0.38, the cost of the buy-back would be \$3.8 million (excluding transaction costs). If the Company bought back the full capacity under the Buy-Back Tender of 10,000,000 Shares, and the Buy-Back Price was \$0.55, the cost of the buy-back would be \$5.5 million (excluding transaction costs). All costs of the Buy Back Tender will be funded out of surplus cash.

Financial position

The pro forma balance sheet as at 30 June 2016 set out below reflects the impact of the Buy-Back Tender on the Company's financial position, assuming that the Company raises \$8.6 million⁴ through the placement of 20,000,000 Shares under two scenarios:

- firstly, with \$3.8 million worth of Shares being bought back at \$0.38 per Share with \$0.29 being treated as capital and the remaining \$0.09 per Share as a dividend; and
- secondly, with \$5.5 million worth of Shares being bought back at \$0.55 per Share with \$0.29 being treated as capital and the remaining \$0.26 per Share as a dividend.

Company pro-forma balance sheet extract as at 30 June 2016				
\$millions	At 30-Jun-16	Placement	Proposed 10m share Buy Back at \$0.38 per share	Pro-forma
Cash and cash equivalents	8.8	8.6	-3.8	13.5
Other current assets	10.3			10.3
Total current assets	19.0	8.6	-3.8	23.8
Non-current assets	26.5			26.5
Total assets	45.5	8.6	-3.8	50.3
Total liabilities	-13.4			-13.4
Net assets	32.2	8.6	-3.8	36.9
Issued Share Capital	27.8	8.6	-2.9	33.5
Reserves	-2.0			-2.0
Accumulated profits	6.3		-0.9	5.4
Total equity	32.2	8.6	-3.8	36.9

Company pro-forma balance sheet extract as at 30 June 2016				
\$millions	At 30-Jun-16	Placement	Proposed 10m share Buy Back at \$0.55 per share	Pro-forma
Cash and cash equivalents	8.8	8.6	-5.5	11.8
Other current assets	10.3			10.3
Total current assets	19.0	8.6	-5.5	22.1
Non-current assets	26.5			26.5
Total assets	45.5	8.6	-5.5	48.6
Total liabilities	-13.4			-13.4
Net assets	32.2	8.6	-5.5	35.2
Issued Share Capital	27.8	8.6	-2.9	33.5
Reserves	-2.0			-2.0
Accumulated profits	6.3		-2.6	3.7
Total equity	32.2	8.6	-5.5	35.2

As discussed above, approving the Buy-Back Tender authorises the Company to buy back up to 10,000,000 Shares in aggregate under the Buy-Back Tender, and the Company may buy back less Shares than that number and at a price between \$0.38 and \$0.55 per Share. Accordingly, the pro forma balance sheet is for illustrative purposes only.

⁴ Based on an exchange rate of AUD 1.72:1 GBP as at 23 August 2016.

Impact on earnings per Share

The Buy-Back Tender will be EPS enhancing although the level of the enhancement will depend on the amount of Shares bought back. For example, assuming that \$5.5 million worth of Shares were bought back under the Buy-Back Tender, and the Buy-Back Price was \$0.55, then all things being equal, the 30 June 2016 EPS, on a pro-forma basis (accounting for the Placement and Buy-Back Tender) would be reduced by 9% relative to 30 June 2016 EPS on a pro-forma basis) as follows:

Company pro-forma EPS for year to 30 June 2016				
	Year to 30-Jun-16	Placement	Proposed 10m share Buy Back	Pro-forma
Average Number of shares - Basic (millions)	95.6	20.0	-10.0	105.6
PAT for year to 30 June 2016 (\$millions)	0.62	0.62	0.62	0.62
EPS - Basic (cents per share)	0.65	0.54	0.59	0.59

* EPS calculation based on a weighted average number of Shares. Shares on issue as at 30 June 2016 was 95,477,922.

Dividends

As the Buy-Back Tender will be entirely funded from cash, there will be no borrowing costs associated with the Buy-Back Tender. However, the Company will have reduced interest income in the future as a result of the cash used to acquire Shares under the Buy-Back Tender. Following completion of the Buy-Back Tender, the Board will continue to regularly review the Company's dividend policy having regard to the Company's financial position. However, as the Company's operations are based in the UK, future franking capacity is expected to be limited to the Company's residual franking account balance.

Impact on franking account

As at 30 June 2016, the Company had a franking account balance of approximately \$0.1 million. This is expected to increase to approximately \$0.2m when the final income tax payment for the 30 June 2016 income year is made. It is the Company's intention not to frank the dividend component of the Buy-Back Price.

Shares on issue

As at the date of this Notice of Meeting, the Company had 95,477,922 Shares on issue. The Buy-Back Tender is subject to shareholder approval of Resolution 1, which would result in the Company issuing 20,000,000 additional Shares. Assuming no further Shares are issued other than the 20,000,000 Shares issued pursuant to Resolution 1 and the maximum number of Shares are bought back under the Buy-Back Program, the Company would have 105,477,922 Shares on issue.

Effect of the Buy-Back Tender on the control of the Company

The Executive Chairman, Mr Ned Montarello (and entities controlled by Mr Montarello) holds 30,311,036 Shares. This gives Mr Montarello voting power of 31.7% (based on 95,477,922 Shares on issue). Mr Montarello has indicated that he will not participate in the Buy-Back Tender.

The amount of Shares to be issued pursuant to Resolution 1 is greater than the maximum number of Shares to be bought back under the Buy-Back Tender. As a result, Mr Montarello's voting power will decrease as a result of the Transaction.

By way of example, the table below sets out the possible effect of the Transaction on Mr Montarello's voting power under a range of scenarios (on the basis that Mr Montarello does not participate in the Buy-Back Tender and the Company issues 20,000,000 additional Shares):

Shares bought back	Mr Montarello's voting power
2,500,000	26.8%
5,000,000	27.4%
7,500,000	28.1%
10,000,000 (being the maximum number of Shares that may be bought back under the Buy-Back Tender)	28.7%

Having regard to the fact that the voting power of Mr Montarello can only decrease as a result of the Transaction despite the fact that he will not participate in the Buy-Back Tender, he will make a recommendation in his capacity as a director and vote on Resolution 2.

ASIC relief

Division 2 of Part 2J.1 of the Corporations Act permits a company to conduct an equal access buy-back scheme if each of the following conditions set out in subsection 257B(2) are satisfied:

- the offers under the scheme relate only to ordinary shares;
- the offers are to be made to every person who holds ordinary shares to buy back the same percentage of their ordinary shares;
- all of those persons have a reasonable opportunity to accept the offers made to them;
- buy-back agreements are not entered into until a specified time for acceptances of offers has closed; and
- the terms of all the offers are the same.

The Buy-Back Tender does not technically comply with the requirements for an equal access buy-back scheme and, accordingly, is treated as a selective buy-back for the purposes of the Corporations Act. However, ASIC has agreed to grant the Company an exemption under section 257D(4) of the Corporations Act to permit the Company to:

- conduct the Buy-Back Tender similarly to the conduct of an equal access scheme;
- to utilise a scale-back mechanism as part of the Buy-Back Tender;
- to invite all shareholders to offer for sale any number of their Shares to the Company rather than the Company offering to buy back such Shares; and
- to seek approval by ordinary resolution of its shareholders of the purchase of ordinary shares under the Buy-Back Tender of up to 10,000,000 Shares.

Accordingly, the Company is not required to approve the Buy-Back Tender in accordance with section 257D of the Corporations Act (which requires approval of the terms of a selective buy-back by a special resolution on which no votes are cast by persons whose shares are proposed to be bought back or their associates).

Other material information

Australian income taxation considerations

The Company expects that the Buy-Back Tender will comprise a dividend component and a capital component for Australian income tax purposes. It is expected that the capital component of the Buy-Back Price will be approximately \$0.29 per share (based on the “average capital per share method” as outlined in Australian Taxation Office (ATO) guidance) and the balance of the Buy-Back Price will be a dividend for Australian income tax purposes.

If the Buy-Back Price is less than the “deemed market value” of a Share, the dividend component will remain unchanged. However, the capital component will be increased by the difference. Where the Buy-Back Price is greater than the “deemed market value” of a Share, the excess will be an unfranked / unfrankable dividend. The “deemed market value” in this situation is typically calculated by reference to a VWAP of a Company share for a period (e.g. last 5 trading days) prior to the first announcement of the Buy-Back Tender, adjusted for the percentage change in the S&P/ASX 200 Index from the commencement of trading on the first announcement date to the close of trading on the day the Buy-Back Tender closes.

As discussed above, it is the Company’s intention not to frank the dividend component of the Buy-Back Price.

The Company is in the process of obtaining a Class Ruling from the ATO to confirm the Australian income tax treatment of the Buy-Back Tender. The Company understands that the ATO will not issue a Class Ruling in a final binding form until after the Buy-Back Tender is complete. General information on the tax implications of successfully participating in the Buy-Back Tender will be provided to shareholders in the Buy-Back Booklet sent to shareholders in relation to the Buy-Back Tender.

As noted below, shareholders wishing to trade their Shares on AIM will be required to convert their Shares into CREST Depositary Interests. For those shareholders that hold their Shares on capital account, the capital gains tax (CGT) outcomes should turn on whether the shareholder is “absolutely entitled” to the Shares they have a beneficial interest in via the Depositary Interest facility. Shareholders are strongly advised to obtain their own professional advice regarding whether they are “absolutely entitled” to the Shares they have a beneficial interest in via the Depositary Interest facility. Where shareholders are so “absolutely entitled” and hold their Shares on capital account, the likely CGT outcome is that the conversion of Shares into Depositary Interests should not give rise to a CGT event and the acquisition date and the cost base and reduced cost base of the Shares should remain the same. In this case, a subsequent disposal of a Depositary Interest should be treated as a disposal of the underlying Share for CGT purposes.

The above is not an exhaustive discussion of the possible tax implications of a shareholder converting their shares into Depositary Interests. The Company intends to include questions in the above Class Ruling regarding certain Australian income tax implications of converting into and holding Depositary Interests. Prior to receipt of the Class Ruling, shareholders who choose to convert their Shares into Depositary Interests are strongly advised to obtain their own professional tax advice on the tax implications based on their own specific circumstances, specifically the tax implications of: (1) the conversion of a shareholder’s CHESS or issuer sponsored holding into certificated form on the Company’s Australian register; (2) the subsequent conversion of Shares into Depositary Interests; and (3) the receipt of future dividend payments by the Company via the Depositary Interest facility.

All shareholders are strongly advised to obtain their own professional advice on the tax implications of the Buy-Back Tender and conversion of Shares into Depositary Interests based on their own specific circumstances.

Effect on employee share plan schemes

The Buy-Back Tender relates only to fully paid ordinary shares. It does not extend to options held by the Company's executives. The Buy-Back Tender will not result in an adjustment to the exercise price or number of Shares to be issued on exercise of their options.

Employees whose employee Shares are subject to restrictions on disposal under the Company's Long term Incentive Plan will not be able to sell their Shares under the Buy-Back Tender.

Proposed timing for the Buy-Back Tender

The indicative timetable for the Buy-Back Tender is set out below.

Event	Date
Announcement of final terms of the Buy-Back Tender	30 August 2016
Notice of EGM dispatched	30 August 2016
Shares trade ex-entitlement to participate in the Buy-Back Tender	5 September 2016
Record Date for determination of entitlements to participate in the Buy-Back Tender	6 September 2016
Extraordinary General Meeting	29 September 2016
Completion of dispatch of Buy-Back Tender documentation to shareholders	3 October 2016
Buy-Back Tender period opens	9am (Sydney time), 4 October 2016
Acceptances must be received by	7pm (Sydney time), 4 November 2016
Completion of calculation of acceptances and scale-back (if any)	5–6 November 2016
Announcement of Buy-Back Tender Price and scale-back (if any)	7 November 2016
Dispatch of proceeds by	10 November 2016

These dates are indicative dates only and the Company reserves the right to change these dates by announcement to ASX.

Board recommendation

The Board recommends that shareholders vote in favour of Resolution 2. The Board believes that the Buy-Back Tender is important in order to provide shareholders with an opportunity to exit their holding prior to the Company's delisting from ASX and listing on AIM, and is the most efficient way to return capital to shareholders at this point in time.

The Chairman intends to vote all available proxies in favour of Resolution 2.

Directors' interests in Shares and options

The relevant interests of each director in the securities of the Company as at the date of this Notice of Meeting are:

Director	Shares	Other securities
Mr Ned Montarello	30,311,036*	nil
Mr Keith Jones	341,000	2,000,000 options
Mr Fernando de Vicente*	678,000	2,000,000 options
Mr Peter Gammell	10,687,572	nil

* Including 1,750,000 loan funded shares.

The Directors are entitled to participate in the Buy-Back Tender in the same manner as other shareholders.

Resolution 3 – Approval of Delisting from ASX

Background

Following the completion of the Company's strategic review process, which was commenced in August 2015, the Board has formed the view that it is in the best interests of the Company to delist from ASX and list on AIM.

There is limited trading of the Company's shares on ASX, both in terms of frequency and volume, and despite the fact that the Company has entirely ceased its Australian operations and its business now operates solely in the United Kingdom, the Company's shareholder base is comprised predominantly of Australian investors.

The Board believes that migrating the Company's listing to AIM will more closely align the Company's trading market and shareholder base with its operations in the UK, will raise the general profile of the Company from both a commercial and capital markets perspective and will ultimately assist in establishing a market value for the Company that better reflects the underlying value of the business.

The Board considers that if it is admitted to AIM, the financial, administrative and compliance obligations and costs associated with maintaining an ASX listing in addition to the AIM listing will no longer be justified, in particular given the relatively low level of trading in the Company's shares on ASX. Therefore, the Board intends to seek delisting from ASX effective conditional upon admission to AIM.

The effect of Resolution 3 is to approve the delisting of the Company from ASX. If shareholders approve Resolution 3 (as well as its codependent resolutions) the Board will seek to have the Company listed on AIM. If shareholders do not approve Resolution 3, the Board will not seek to have the Company listed on AIM.

Resolution 3 is expressed to be subject to and conditional on Resolutions 1, 2 and 4. If those Resolutions are not also approved, Resolution 3 will have no effect.

Other actions to be taken related to the Transaction

If shareholders approve Resolution 3, the Board will take a number of other actions related to the Transaction. Shareholder approval is not required for those actions, but in the interests of good governance the Board wishes to disclose them to shareholders. If shareholders do not approve Resolution 3, the Board will not proceed with these actions.

If Resolution 3 is approved and the Company is admitted to AIM, the Board:

- anticipates that it will be reconstituted as is appropriate for a listing on AIM and is consistent with the requirements of being listed on AIM. Currently it is proposed that the Board will be supplemented with two independent UK-based directors, the current Executive Chairman, Ned Montarello will become the Non-Executive Chairman, Keith Jones will become a Non-Executive Director and Deputy Chairman and Gary Halton (the existing CFO) will become an Executive Director. Peter Gammell and Fernando de Vicente will continue in their current roles as Non-Executive Director and CEO respectively;
- as part of Mr Montarello's transition to a non-executive role, the board intends to exercise its discretion under the Loan Funded Share Plan to allow his loan-funded shares to remain in place even though he will no longer be entitled to participate in the plan once he ceases an employment role. However, the loan-funded shares held by Mr Montarello will not vest – they will remain in place and will only vest if the existing vesting conditions are satisfied (subject to the amendment set out below relating to vesting conditions being denominated in GBP rather than AUD). The board will exercise the equivalent discretion under the Executive Share Option Plan in relation to the options held by Mr Keith Jones as he transitions to a non-executive role – and, again, the options will only vest on satisfaction of the existing vesting conditions;
- will amend the vesting conditions under the Company's Executive Share Option Plan and Loan Funded Share Plan to reflect that the Company's securities will now be traded on AIM rather than ASX. Currently, vesting conditions for options and loan funded shares under those plans are related to the volume weighted average price in AUD as traded on ASX. These conditions will be amended so that the conditions are related to an equivalent price in GBP as traded on AIM. Further details of these plans are set out in discussion of Resolution 5 below;
- will, after the delisting from ASX and admission to AIM, establish short term and long term incentive plans for key personnel that are appropriate for an AIM-listed company; and
- will take action to assist those existing shareholders who do not dispose of all of their shares under the Buy-Back Tender to enable their shares to be traded on AIM (see below for further detail).

The above is not an exhaustive list of the actions that the Board may take related to the Transaction but is indicative of the key actions as at the date of this Notice of Meeting.

Effect of the Transaction

If Resolutions 1, 2, 3 and 4 are passed, the Transaction takes place and the Company is admitted to AIM, the Company will no longer be subject to the ASX Listing Rules but will instead be subject to the AIM Rules for Companies. However, the Company will remain incorporated in Australia and subject to Australian law and the Corporations Act, including continuous disclosure obligations. It will continue to lodge audited financial reports in Australia.

The Company will retain a registered office at an address in Australia where minutes of Board and shareholders' meetings will be kept along with the register of members. The Company must maintain two directors and a company secretary who are ordinarily resident in Australia.

Announcements, financial reports and other information about the Company will no longer be published on the ASX online platform but will instead be published on the AIM online platform. The Company will continue to publish information on its website at (www.thinksmartworld.com) in the same way as prior to the Transaction.

The Company is currently subject to certain rules and laws as a result of being listed on ASX. If it ceases to be listed on ASX and is admitted to AIM, these rules and laws will no longer apply. Set out below is a table summarising some of the key rules and laws that currently apply and the equivalent position, if any, under the AIM Rules for Companies that will apply following the Company's admission to AIM.

While listed on ASX	Under the AIM Rules for Companies
<p>Continuous disclosure – the Company must immediately disclose all materially price-sensitive information to ASX, subject to carve-outs for certain categories of confidential information. ASX can require the Company to respond to market or media speculation to correct a false market. As part of its continuous disclosure obligations, the Company may be required to disclose a material difference between its actual financial position or performance and any guidance it has released to the market or between its actual position or performance and market expectations.</p>	<p>Continuous disclosure – the Company must without delay disclose all materially price-sensitive information to a regulatory information service approved by the Financial Conduct Authority (a RIS), subject to carve-outs for certain categories of confidential information.</p>
<p>Notification of certain events – the Company must notify ASX of certain events such as changes of officers, the materials terms of key officers' employment (and any variations to these terms), new issues of securities, and changes in directors' interests in securities in the Company.</p>	<p>Notification of certain events – the Company must notify a RIS of certain events such as changes of officers, changes to the Company's nominated adviser or broker, new issues of securities, decisions to make any payment in respect of securities, changes to the Company's name, registered office or accounting reference date and any material change between its actual trading performance or financial condition and any profit forecast, estimate or projection made public on its behalf.</p>
<p>Re-election of directors – at least one director of the Company must stand for re-election at each AGM, and each director (other than the managing director) must stand for re-election at least every three years.</p>	<p>Re-election of directors – there are no provisions in the AIM Rules governing the period for which a director may serve.</p>
<p>Release of financial reports – the Company must provide ASX with preliminary annual and half-yearly financial documents within two months of the end of the relevant reporting period, which is earlier than is required under the Corporations Act.</p>	<p>Release of financial reports – the Company must provide the RIS with half-yearly financial documents within three months of the end of the relevant reporting period and must publish and send to its shareholders annual audited accounts within six months of the end of the relevant financial year.</p>
<p>Issue of securities – shareholder approval is required for the issue of securities in excess of 15% of the Company's capital in any 12 month period. This includes issues of securities under incentive plans, unless the plan has received shareholder approval within the previous 3 years.</p>	<p>Issue of securities – the AIM Rules do not provide for specific circumstances where shareholder approval is required for the issue of additional securities.</p>
<p>Substantial holdings – any person who begins or ceases to hold 5% of voting rights attached to the Company's securities, or any person who already holds at least 5% and whose holding increases or decreases by 1%, must notify the Company and ASX. This is a requirement under the Corporations Act that applies to holdings in companies listed on ASX.</p>	<p>Substantial holdings – the Company is required to make a notification in respect of any person who begins or ceases to hold 3% of voting rights attached to the Company's securities, or any person who already holds at least 3% and whose holding increases or decreases by 1%.</p>
<p>Transactions with related parties – shareholder approval is generally required for the acquisition or disposal of significant assets from related parties (including directors) or persons holding over 10% of the Company's shares. It is also generally required for the issue of securities to related parties (including directors), and for the acquisition of securities by directors under an employee incentive scheme (other than where shares are acquired on-market and allocated to a director).</p>	<p>Transactions with related parties – the Company must notify the RIS of any transaction with a related party (which includes directors) which exceeds 5% in any of the 'class tests' set out in the AIM Rules. The directors must also provide a statement that (with the exception of any director who is involved in the transaction as a related party), its directors consider, having consulted with its nominated adviser, that the terms of the transaction are fair and reasonable in so far as its shareholders are concerned.</p>
<p>Significant transactions – the Company must notify ASX of any significant change to the nature or scale of its activities, and ASX may require shareholder approval for such a transaction. In addition, the Company must not dispose of its main undertaking without obtaining shareholder approval.</p>	<p>Substantial transactions – the Company must notify the RIS of any substantial transaction which exceeds 10% in any of the 'class tests' set out in the AIM Rules. The Company must seek shareholder approval for and notify the RIS of any substantial transaction which exceeds 75% in any such tests.</p>

The Company also expects that the Transaction will result in the Company becoming a tax resident of the United Kingdom. This will have an impact on the tax treatment of the Company, including the Company's tax compliance and filing obligations. It is the Company's expectation that becoming a tax resident of the United Kingdom should not increase the Company's income tax payments relative to the Company's current status as a sole tax resident of Australia. The Company is in the process of obtaining rulings from the Australian Taxation Office regarding certain aspects of the Company's future Australian income tax profile as a result of the Transaction. The Transaction is subject to receipt of these rulings and the rulings being satisfactory to the Company. The Company is also obtaining relevant United Kingdom tax advice regarding the Company's future United Kingdom tax profile. All shareholders are strongly advised to obtain their own professional advice on the tax implications of the Transaction based on their own specific circumstances.

The most significant effect of the Transaction on shareholders will be on the way in which shares can be traded after the Transaction. Any shareholders who wish to sell their Shares on ASX will need to do so before the proposed delisting date. This date is currently anticipated to be no earlier than 11 November 2016 but will be confirmed by the Company by announcement to ASX in due course following, among other things, further engagement with AIM. The Company's Shares will not be able to be traded on ASX after the delisting date. Shareholders who do not sell their Shares on ASX before the delisting date will only be able to sell them on-market on AIM. Prior to delisting, trading in the Company's Shares will continue on an uninterrupted basis on ASX.

In order to be admitted to trading on AIM, the Company's shares must be eligible for electronic settlement. The main electronic settlement system in the UK is CREST, operated by Euroclear UK & Ireland Limited (**CREST**). CREST is an electronic, paperless share transfer and settlement system, which allows shares and other securities (including depositary interests) to be held, transferred or settled in electronic rather than paper form (the equivalent system in Australia is called "CHESS"). However, as the Company is incorporated in Australia, its shares cannot be directly held, transferred or settled through CREST. As a result, it will be necessary for the Shares to be held in CREST in the form of Depositary Interests (**DIs**).

The Company, through its depositary, will have a facility whereby DIs, representing Shares, will be issued by the depositary in electronic form within the CREST system. The depositary will hold Shares in certificated form on trust for shareholders and it will issue uncertificated DIs (on a one-for-one basis) representing those underlying shares. The relevant shareholders will retain the beneficial interest in the ordinary shares held through the DI facility and voting rights, dividends or any other rights relating to those Shares will be passed on by the depositary to shareholders in accordance with the terms of the depositary arrangements. Shares can then be traded and settlement can be effected in the form of DIs within the CREST system, in the same way as any other CREST security.

The Company intends for the DIs to be created and issued into CREST with effect from the Company's admission to AIM. The registrar will keep a register in the UK which shows full details of the DI holders, just like the register of members in relation to the Company's Shares.

Following the Company's delisting from ASX, shareholders will automatically have their CHESS and issuer sponsored holdings converted into certificated form on the Company's Australian share register. The Company's Shares will not be able to be traded on ASX after this point and, unless shareholders convert their shares into DIs as outlined below, will not be able to be traded on AIM either.

In order to trade shares in the Company on AIM, shareholders will need to convert their Shares into DIs to permit settlement via CREST. CREST is a voluntary system and shareholders will be able to continue to hold their Shares on the Australian register, but if they do so will be unable to trade those shares on AIM. Shareholders who wish to hold their shares in the Company in CREST, as DIs, or trade them on AIM will need to engage the service of a broker who is able to convert those shares into DIs and accept the DIs into CREST.

To assist those shareholders who wish to trade their Shares on AIM following the Transaction, the Company intends to appoint a broker for a period of 3 months following the Transaction who will be available to facilitate trading in Shares on AIM. Alternatively, shareholders can contact and establish an account with a UK stockbroker, or an Australian stockbroker who has an existing account with a UK stockbroker that can be used to trade in AIM securities. On request by any shareholder, the Company will provide contact details for UK or Australian stockbrokers who are able to provide this service.

Further details of the procedure for conversion of the Company's shares into DIs, to permit trading of the Shares on AIM, will be provided to shareholders if Resolution 3 is approved.

Other than the restrictions on share trading set out above, the practical effects to the Company of the Transaction are minimal.

ASX approval

ASX Listing Rule 17.11 provides that ASX may, at its discretion, remove the Company from the official list of the ASX at the request of the Company. ASX may also require conditions to be satisfied before granting the request.

The Company has approached ASX seeking in-principle approval of the delisting of the Company, on the basis that the Company will seek shareholder approval of the delisting. ASX has provided in-principle advice that it will agree to the delisting of the Company provided that the information in this Notice of Meeting and Explanatory Statement regarding the Transaction is provided to shareholders. The admission of the Company to AIM is subject to confirmation from AIM following

receipt of the Company's application and, accordingly, ASX's approval is also subject to the Company being admitted to AIM.

Shareholder approval is therefore required for Resolution 3. If Resolution 3 is approved, the Company will seek admission to AIM and formally request delisting from ASX. The Company's delisting from ASX will only occur if the Company is admitted to AIM.

Advantages and disadvantages of the Transaction

The Board considers the main advantages of delisting the Company from ASX and listing it on AIM to be as follows:

- the Company's shares have limited liquidity on ASX and trade with relatively low volumes and frequency;
- the fact that the Company's operations are now entirely in the United Kingdom makes it more appropriate that the Company be listed there;
- the Board believes that listing the Company in the United Kingdom will raise its profile in its principal geographical area of business and assist in establishing a market value for the Company that better reflects its underlying value; and
- delisting the Company from ASX will reduce regulatory and compliance costs associated with maintaining two listings, given the relatively low volume of trading of the Company's shares on ASX.

The Board does not consider that the Transaction poses any significant disadvantage to shareholders. However in making their decision as to whether to vote in favour of Resolution 3, shareholders should evaluate the following factors:

- the Board expects that the Company will incur some costs associated with the Transaction; and
- the Company's securities will no longer be able to be traded on ASX. However, as set out above, the Company has sought to facilitate trading by arranging for the Company's shareholders to have the option to receive DIs admitted to trading on AIM and capable of being transferred and settled via CREST.

Board recommendation

The Board recommends that shareholders vote in favour of Resolution 3 for the reasons set out above.

The Chairman intends to vote all available proxies in favour of Resolution 3.

Resolution 4 – Approval of Amendments to Constitution

Background

As set out above, if shareholder approval is granted for Resolutions 1, 2 and 3 the Board will seek to have the Company's shares admitted to trading on AIM. In order for this to be effected, the Company's constitution will need to comply with the requirements in the AIM Rules for Companies.

Shareholder approval is sought for Resolution 4 to enable the Company's constitution to be amended to ensure that it complies with the requirements in the AIM Rules for Companies.

Special resolution

Section 136(2) of the Corporations Act provides that the Company may only amend its constitution by special resolution. Resolution 4 will only be passed if at least 75% of the votes cast by shareholders entitled to vote on Resolution 4 are cast in favour of Resolution 4.

Resolution 4 is also expressed to be subject to and conditional on shareholder approval of Resolutions 1, 2 and 3 and the Company being admitted to AIM. Unless shareholder approval is granted for all of those Resolutions and the Company is admitted to AIM, Resolution 4 will not have effect.

Amendments to constitution

In order to be appropriate for admission to AIM, amendments will need to be made to the Company's constitution as set out in the table below. The table sets out a summary of the amendments and the provisions of the Company's constitution which are proposed to be amended by Resolution 4.

Amendment proposed by Resolution 4	Amended rule of constitution
To add a new rule in the Company's constitution to require:	New rule 5.6
(i) any person:	
(a) who becomes or ceases to be a " Significant Shareholder " (being a person who holds 3% or more of the Company's Shares) or	
(b) who is a Significant Shareholder and whose shareholding increases or decreases through any single percentage (a " Relevant Change ");	
to send the Company a notice setting out certain prescribed information; and	
(ii) the Company to deliver an announcement containing certain prescribed information to a Regulatory Information Service for distribution to the public:	
(a) if a person becomes or ceases to be a Significant Shareholder; or	

(b) of any Relevant Change.	
To amend the Company's constitution so that the quorum for a general meeting is 1 member rather than 5 members, to allow general meetings to be held when the Company's shares are held through DIs as explained in detail above.	Rule 7.4(b)
Various minor and administrative changes to reflect that the Company's shares will be traded on AIM and the Company will be subject to the AIM Rules for Companies.	Various

There are no other amendments proposed to the constitution of the Company.

The Company has made available on its website at www.thinksmartworld.com an electronic copy of the Company's constitution with the full text of the amendments proposed by Resolution 4 marked up against the Company's existing constitution.

Board recommendation

The Board recommends that shareholders vote in favour of Resolution 4. For the reasons set out above, the Board believes that the Transaction is in the best interests of the Company and its shareholders, and Resolution 4 is required in order to effect the Transaction.

The Chairman intends to vote all available proxies in favour of Resolution 4.

Resolutions 5 and 6 – Change to Testing Date of Options and Loan Funded Shares

Background

The Company operates an Executive Share Option Plan (**ESOP**) for executives based outside of Australia and a Loan Funded Share Plan (**LFSP**) for executives based in Australia.

The options on issue under the ESOP and shares on issue under the LFSP are subject to a three-year performance period, commencing on the date of issue. If during the performance period the 30-day volume weighted average price (**VWAP**) of the Company's shares meets or exceeds specified values, the options and shares will vest on the vesting date (being the final date of the performance period). For option holders, the holder then has two years from the vesting date to exercise their options. For holders of the loan-funded shares, the holder then has two years from the vesting date to sell the vested shares and repay the loan in accordance with the terms of the loan. The proportion of the options and shares that vest will depend on the VWAP reached during the performance period.

A total of 500,000 options issued pursuant to the 2013 issue under the ESOP (**2013 Options**) and 1,000,000 shares issued pursuant to the 2013 issue under the LFSP (**2013 Shares**) have a vesting date of 4 July 2016 (together, the **2013 Securities**). The 2013 Securities have 30-day VWAP hurdles of:

- \$0.3802 as to 25%;
- \$0.4889 as to 25%; and
- \$0.5975 as to 50%.

250,000 of the 2013 Options are held by Gary Halton, the Company's European Chief Financial Officer. The other 250,000 of the 2013 Options are held by John Taylor, the Company's Group Marketing Director. Mr Halton and Mr Taylor are not members of the Board. All of the 2013 Shares are held by Ned Montarello, the Company's Executive Chairman.

On 4 July 2016 the first VWAP hurdle had been satisfied but the second and third had not. Accordingly, 25% of the 2013 Securities have vested as at the date of this Notice of Meeting and 75% of the 2013 Securities have not yet vested.

In addition to the proposed IPO of the Company's UK business announced on 29 March 2016, the Company has been exploring and negotiating the Transaction, but neither the IPO nor the Transaction were able to be concluded and announced before 4 July 2016. Accordingly, it is proposed that the Company extend the vesting date of the 2013 Securities to 4 March 2017 to ensure the holders continue to be incentivised to work towards maximising the benefits of the Transaction for shareholders. The expiry date of the 2013 Securities (for exercise of the 2013 Options and for repayment of the loan in respect of the 2013 Shares) will remain the same. The extension of the vesting date will allow the vesting of the 2013 Securities to be tested against a VWAP hurdle that reflects any value added to the Company by the Transaction.

Shareholders should note that it is not proposed to change the value of the VWAP hurdles for the vesting of the 2013 Securities (although, as discussed above, they will be converted from AUD to GBP at the prevailing exchange rate at the date of admission to AIM to reflect the fact that the Company's securities will be traded on AIM rather than ASX). The 2013 Securities will not vest if the value of the Company's securities does not increase to meet the VWAP hurdles following the Transaction. In addition, it is not proposed to extend the period in which the 2013 Options can be exercised and the loan in respect of the 2013 Shares can be repaid.

Under the rules of the ESOP and the LFSP the Board has a discretion to amend the vesting conditions. Prior to the testing date, the Board resolved, subject to shareholder approval and to the Transaction proceeding, to extend the vesting date for the 2013 Options to 4 March 2017. At the same time the Board (other than Mr Montarelli) also resolved, subject to shareholder approval and to the Transaction proceeding, to extend the vesting date for the 2013 Shares to 4 March 2017.

Resolutions 5 and 6 are expressed to be subject to and conditional on shareholder approval of all other Resolutions. The Resolutions will have no effect unless all other Resolutions are approved. No other Resolutions are dependent on Resolution 5 or 6 so, if the other Resolutions are approved, the Transaction will proceed regardless of whether Resolutions 5 and 6 are approved.

Listing Rule 6.23

ASX Listing Rule 6.23.3 provides that a change affecting the 2013 Options cannot be made if it has the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities received on exercise. ASX has advised the Company that it considers that ASX Listing Rule 6.23.3 applies to the proposed extension of the testing date for the remaining vesting conditions attached to the 2013 Options. Accordingly, the Company has applied for a waiver of ASX Listing Rule 6.23.3 to allow it to make the proposed change provided that it obtains shareholder approval of the change. The Company will advise shareholders when ASX finalises its decision. If, before the Meeting, ASX advises the Company that it will not grant the waiver, then Resolution 5 will be withdrawn.

Listing Rule 14.7

ASX Listing Rule 14.7 provides that if the Company states in a notice of meeting that it will do something that the Listing Rules require it to do, it must do that thing. The 2013 Shares were issued to Mr Montarelli pursuant to a resolution of shareholders passed on 23 May 2013. The notice of meeting relevant to the Annual General Meeting at which that resolution was passed stated that the 2013 Shares would vest at the end of 3 years from the date on which they were granted, being 4 July 2016, subject to the satisfaction of VWAP hurdles. Accordingly, shareholder approval is required for the Company to cause the 2013 Shares to vest on 4 March 2017, subject to the satisfaction of the same VWAP hurdles. This approval is the subject of Resolution 6.

Board recommendation

The Board, with Mr Montarelli abstaining, recommends that shareholders vote in favour of Resolutions 5 and 6.

The Chairman intends to vote all available proxies in favour of Resolutions 5 and 6.

THINKSMART

ThinkSmart Limited

ABN 24 092 319 698

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

TSM

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 3:00pm (AWST) Tuesday, 27 September 2016

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of ThinkSmart Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of ThinkSmart Limited to be held at Level 36, QV.1 Building, 250 St Georges Terrace, Perth, Western Australia on Thursday, 29 September 2016 at 3:00pm (AWST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 5 and 6 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval of Placement to Alphagen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Buy-Back Tender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Delisting from ASX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Amendments to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Change to Testing Date of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Change to Testing Date of Loan Funded Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /